Annual Report 1960

CORVIGLIA
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JERSEY CENTRAL LINES
209

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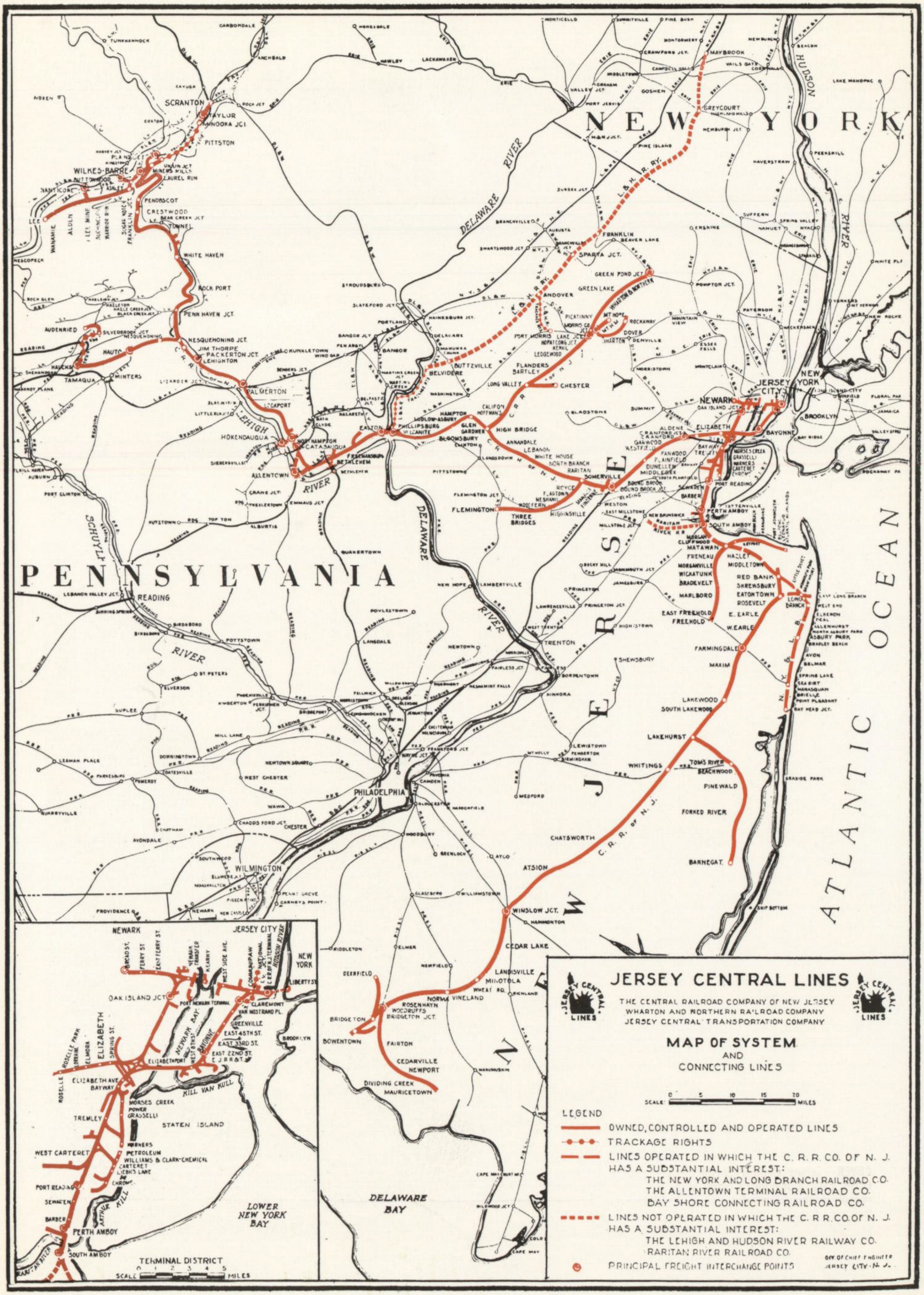
CENTRAL RAILROAD COMPANY OF NEW JERSEY


NEW YORK
PENNSYLVANIA
NEW JERSEY
ATLANTIC OCEAN
HUDSON RIVER
DELAWARE RIVER
LEHIGH RIVER
SCHUYLKILL RIVER
DELAWARE BAY
SCRANTON
WILKES-BARRE
PITTSTON
WHITE HAVEN
JIM THORPE
TAMAQUA
PALMERTON
ALLENTOWN
BETHLEHEM
EASTON
PHILLIPSBURG
READING
PHILADELPHIA
WILMINGTON
TRENTON
SOMERVILLE
FLEMINGTON
NEWARK
ELIZABETH
JERSEY CITY
NEW YORK
BROOKLYN
BAYONNE
PERTH AMBOY
SOUTH AMBOY
RED BANK
LONG BRANCH
ASBURY PARK
LAKEWOOD
LAKEHURST
TOMS RIVER
BARNEGAT
WINSLOW JCT.
VINELAND
BRIDGETON
MAURICETOWN
CAPE MAY
MAYBROOK
L. & H. R. RY.
C. R. R. OF N. J.
WHARTON & NORTHERN
TERMINAL DISTRICT
SCALE 0 1 2 3 4 5 MILES
LOWER NEW YORK BAY
STATEN ISLAND
KILL VAN KULL
ARTHUR KILL
NEWARK BAY

JERSEY CENTRAL LINES

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY
WHARTON AND NORTHERN RAILROAD COMPANY
JERSEY CENTRAL TRANSPORTATION COMPANY

MAP OF SYSTEM
AND
CONNECTING LINES

SCALE: 0 5 10 15 20 MILES

LEGEND

- OWNED, CONTROLLED AND OPERATED LINES
- TRACKAGE RIGHTS
- LINES OPERATED IN WHICH THE C. R. R. CO. OF N. J. HAS A SUBSTANTIAL INTEREST:
  - THE NEW YORK AND LONG BRANCH RAILROAD CO.
  - THE ALLENTOWN TERMINAL RAILROAD CO.
  - BAY SHORE CONNECTING RAILROAD CO.
- LINES NOT OPERATED IN WHICH THE C. R. R. CO. OF N. J. HAS A SUBSTANTIAL INTEREST:
  - THE LEHIGH AND HUDSON RIVER RAILWAY CO.
  - RARITAN RIVER RAILROAD CO.
- PRINCIPAL FREIGHT INTERCHANGE POINTS

OFF. OF CHIEF ENGINEER
JERSEY CITY - N. J.

JERSEY CENTRAL LINES

DIRECTORS

The Central Railroad Company of New Jersey

*Roy B. White, *Chairman*
*Revelle W. Brown
*J. Hamilton Cheston
E. Paul Gangewere
*Frank C. La Grange
Irving N. Like
William H. Mencher
Earl T. Moore
*Fred N. Oliver
Julius A. Rippel
William I. Woodcock, Jr.

**Member, Executive Committee*

Central Railroad Company of Pennsylvania

N. Newlin Baily
Percy A. Brown
Revelle W. Brown
Edward J. Fox, Jr.
John W. Kress
Judson C. McLester, Jr.
Earl T. Moore
Joshua A. Rich, IV
J. L. Stackhouse
Robert A. Young

Wharton and Northern Railroad Company

N. Newlin Baily
Ludwig R. Dohm
Judson C. McLester, Jr.
Alfred J. Mackin
Earl T. Moore

Jersey Central Transportation Company

N. Newlin Baily
Judson C. McLester, Jr.
Earl T. Moore
Robert E. Teston

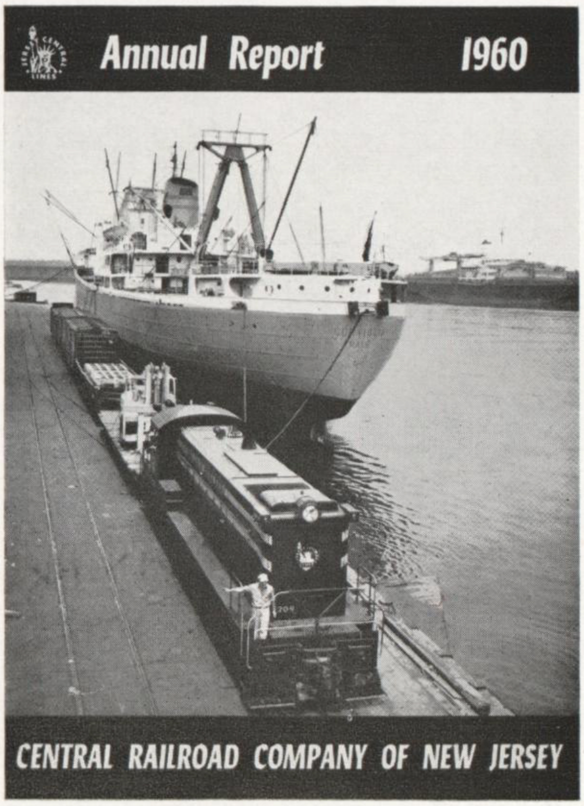
JUN 23 1961 A

OFFICERS

EARL T. MOORE
President
N. NEWLIN BAILY
Vice President and General Manager
JUDSON C. McLESTER, JR.
Vice President and General Counsel
JOHN F. HOURIGAN
Vice President—Freight Traffic
RALPH E. THOMPSON
Comptroller
ROBERT E. TESTON
Secretary and Treasurer
BERNARD J. MINETTI
Chief Engineer
WARREN W. BOYCE
Purchasing Agent
PHILIP M. PARKER
Property Manager
IRA GOLDOWSKY, M.D.
Medical Director

GENERAL OFFICES

143 LIBERTY STREET
NEW YORK 6, N.Y.



Annual Report 1960

CENTRAL RAILROAD COMPANY OF NEW JERSEY

COVER: Jersey Central diesel switcher hauls a string of freight-laden cars alongside a ship at a busy Port Newark wharf. The vessel is the "Corviglia" of the Swiss merchant fleet. In 1960, tonnage handled via Port Newark totaled 4,415,000 tons, an increase of 9% over 1959.

JERSEY CENTRAL LINES

• 143 LIBERTY STREET • NEW YORK 6, N. Y. • Telephone BArclay 7-9700 •

E. T. MOORE, President

March 1, 1961

To Stockholders:

Early expectations of a 1960 upturn in the American economy were not borne out as the year progressed. On the other hand, 1960 merely continued the downward trend for Eastern railroads that began with the 1958 recession and has yet to show signs of reversal. The Jersey Central experienced a net deficit of $4,293,029 in 1960, as compared with $2,838,559 in 1959.

Revenues from all sources showed a 3% decrease, with freight revenues declining 5%, and passenger, mail and express approximating 1959 results.

We were, nevertheless, able to effect a reduction of 5% in our total operating costs, resulting in an improvement in our operating ratio from 84.7% in 1959 to 82.4% in 1960. These savings in our operating and maintenance costs were more than offset by an increase of $1,400,000 in freight car hire, and an increase of $1,400,000 in railroad taxes. (In the previous year, we had received a Federal income tax credit of $1,200,000.)

During 1960, equipment debt was reduced by $2,023,572, leaving only about $8,500,000 outstanding as of December 31, 1960. We have been able to meet equipment debt maturities and minor capital requirements out of depreciation charges. We are not confronted with any pressing need for capital expenditures.

In accordance with Mortgage provisions we withdrew, in December, 1960, the balance of $343,176 from the Capital Fund to partially reimburse our treasury for the payment of fixed charges in excess of income available therefor in 1959.

Purchase of Lehigh & New England Railroad

An important development during 1960 was the progress made toward the acquisition of approximately 40 miles of road of the Lehigh and New England Railroad, which proposes to abandon the remainder of its railroad.

On April 12, 1960, we entered into contract to purchase that portion of the L&NE Railroad upon which 95% of the originated and terminated traffic is concentrated. One section of six miles is in the anthracite coal region between Tamaqua and Hauto, Pennsylvania, and another of 34 miles is in the Lehigh District cement region extending from the Bethlehem-Allentown area to Martins Creek, Pennsylvania.

We have agreed to a purchase price for these properties of $4,050,000, plus a payment for materials and supplies at book value not to exceed $700,000. We have a commitment for a 6% bank loan of $2,500,000, repayable over five years; and the owners of the property have agreed to accept a non-interest bearing note for

$1,330,000, payable in nineteen equal quarterly installments, together with a cash payment not to exceed $920,000. To provide adequate equipment for traffic originating on property we expect to acquire, we have contracted to purchase or to arrange for the sale of 726 box and 701 covered hopper cars owned by the L&NE Railroad at a price of approximately $6,100,000. We have a proposal from an equipment company for the sale of these cars and their leaseback to the Jersey Central for initial terms of 8 years for the box cars and 12 years for the covered hopper cars.

As an alternate method of obtaining all or part of the money needed for the purchase of both the road property and equipment, we are considering the possible advantages of a Government-guaranteed loan. Such a loan would bear interest at about 5% a year and would be repayable in installments over a 15-year period.

We plan to operate these two sections as a separate railroad by a wholly-owned subsidiary incorporated as the Lehigh & New England Railway Company. Studies made by consulting engineers, based on traffic levels for the 12 months ending June 30, 1959, indicate that operation of this property should increase our net revenues, on a consolidated income basis, by approximately $1,900,000 a year. While current traffic levels are lower than during the study period and, as was anticipated, a substantial portion of the outbound cement is now moving by truck, we have every reason to believe that the income from this property will produce substantial net revenues to the Jersey Central.

Both our acquisition of, and the abandonment by, the Lehigh & New England are subject to approval by the Interstate Commerce Commission. Hearings upon applications for the acquisition and abandonment were completed early in December.

The New Jersey Commuter Aid Program

A second 1960 development saw tangible recognition in New Jersey of public responsibility to help defray some of the losses incurred by a private corporation that is forced to provide a public service at very much less than cost. Effective September 1, 1960, we entered into a passenger service contract whereby the State of New Jersey helps defray the cost, on a car-mile basis, of "approved" suburban passenger service in return for railroad agreement to continue to operate the service at state-approved fares. These payments from the State average $112,000 monthly for the balance of the fiscal year ending June 30, 1961, and make up about one-third of our recoverable loss. The New Jersey State Highway Commissioner, who administers this program, has requested the New Jersey Legislature to supply the funds necessary to renew the contracts with compensation increased about 20% for the next fiscal year. Total losses on passenger service, calculated in accordance with Interstate Commerce Commission accounting regulations, totaled $5,688,967 in 1960, compared with $6,363,152 in 1959. The decreased loss in 1960 reflects $450,000 received under this contract.

The further plans of the Division of Railroad Transportation of the Department of Highways for keeping commuter service operating offer additional possibilities for reducing Jersey Central passenger losses. It has recommended to the Legislature that Jersey Central passenger service on our main line be diverted over Lehigh Valley and PRR tracks from Aldene to Pennsylvania Railroad Station, Newark, where passengers can transfer either to the Pennsylvania or Hudson & Manhattan trains for New York. The plan also proposes that the Jersey Central withdraw from passenger operations on the New York and Long Branch Railroad, with the Pennsylvania performing all such service in this territory.

The Port of New York Authority has announced its willingness to acquire and operate the Hudson & Manhattan Railroad, subject to certain conditions, one of which is that the plan to operate Jersey Central trains to Pennsylvania Railroad Station, Newark, be carried out. There seems to be genuine progress toward putting this plan, which we believe to be feasible, into effect within the foreseeable future.

Taxation in New Jersey

The 1960 session of the New Jersey Legislature passed legislation designed to assure equality of tax assessment on a county-wide basis in accordance with a long-standing mandate of the State Supreme Court, but failed to approve a second bill designed to make such equality practically enforceable. Early in the year, however, the Court rendered a decision in an individual taxpayer's case which should aid in enforcing the legislation.

The increasing evidence of public, judicial, and legislative awareness of the need for a more equitable tax climate in New Jersey is encouraging, but the real solution to this problem that so importantly concerns one politically-potent County is a new source of tax dollars. It is difficult to see how this remedy can be deferred much longer.

Other 1960 Developments

We began studies in 1960 with the Lehigh Valley, New York Central, Pennsylvania, and Reading Railroads for joint use of various facilities, which could be helpful in effecting economies in operation.

Our 1960 economies resulted in some deferred maintenance of tracks and structures, but we have not accumulated any deferred maintenance on locomotives and the maintenance of our passenger car fleet is satisfactory for our requirements. Our freight car repair facilities were operated at full capacity throughout the year.

In December, the Governor of New Jersey signed into law a series of bills which will reduce the cost to passenger-carrying railroads of installing, relocating or modifying protective devices at railroad grade crossings; exclude from the New Jersey franchise tax the amounts paid by the State under contracts for railroad passenger service; and require the State of New Jersey to bear the cost of maintaining, repairing and renewing structures within railroad rights-of-way which carry railroads over highways.

We have continued to make progress in attracting new industries to our line. During 1960, 25 new industries located along the Jersey Central, with estimated additional traffic of 3000 cars, and ten on-line industries expanded their facilities for an estimated traffic increase of 2100 cars.

Expansion and development of Port Newark and the adjacent Port Elizabeth, both served by the Jersey Central, is progressing. Eighty-one acres of our land were involved in the Port Authority condemnation for Port Elizabeth, for which we received $486,000. The Jersey Central owns an additional 650 acres of undeveloped property in this vicinity.

Effective April 1, 1961, the REA Express has cancelled its agreement, covering virtually all New Jersey express service on our lines. This means an estimated loss of $450,000 in net revenue on an annual basis.

In the short term, I am unable to predict any substantial improvement in our level of freight carloadings, and the results of our operations in the first two months of 1961 were particularly discouraging. Normally, January and February show substantial losses. In 1961, the condition was severely aggravated by a series of heavy snowstorms. In the first two months of 1961, we suffered a net loss of $1,800,000, as compared with $1,200,000 in 1960.

Taking a longer view, the acquisition of the Lehigh & New England should make a much needed permanent addition to our freight carloadings and net income, and if the programs being advanced by the State of New Jersey in passenger operations are completed, they will further reduce the most persistent and damaging drain on our income — our heavy passenger losses. Further, the climate of opinion, both among the public and in government circles, seems increasingly favorable to action to relieve the railroads of some of the unfair disadvantages that they have suffered for many years with respect to other forms of transportation.

This has been another difficult year for the Jersey Central — and I particularly want to thank our employees for their support and cooperation in handling what business we were able to get, as efficiently as possible. I am also grateful to our customers for continued patronage, and our security-holders for their continued patience and support.

Sincerely,

Moore

FINANCIAL SUMMARY OF 1960

Income

	1960	1959
Receipts from freight, passenger and miscellaneous operations	$51,588,860	$53,010,347
Other income (Net)	1,177,663	795,545
Total income	$52,766,523	$53,805,892

Expenses

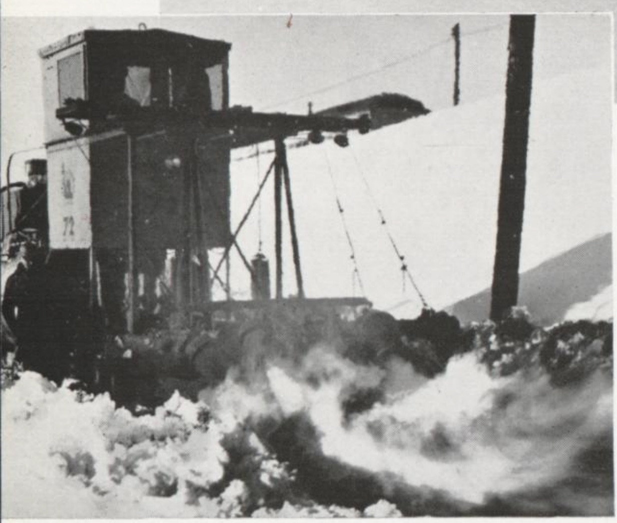
	1960	1959
Cost of maintaining and operating the property	$42,505,560	$44,907,408
Taxes	6,037,759	4,612,967
Hire of equipment and joint facilities	4,415,314	2,952,793
Fixed charges	4,100,919	4,171,283
Total costs	$57,059,552	$56,644,451

	1960	1959
Net Loss	**$(4,293,029)**	**$ (2,838,559)**
Adjustments to determine "available net income" as required by the trust indenture:		
Elimination of amounts charged to operating expenses for ledger value less salvage of property retired and not replaced less income accruing to Capital Fund	79,622	383,449
Elimination of profit from the sale of meadowland properties credited to income during 1960 and deposited with the mortgage trustee for acquisition of bonds	422,215	15,702
"Available Net Income" deficit from prior years	4,354,015	1,883,203
"Available Net Income" (Deficit)	**$ (8,989,637)**	**$ (4,354,015)**

Capital Fund

	1960	1959
Amount in Capital Fund at close of year	$ none	$ none

During 1960 proceeds from sales of meadowland property aggregating $343,176 were deposited into the Capital Fund. This amount was withdrawn by the Company as partial reimbursement for the payment of fixed charges in excess of 1959 consolidated income available therefor.



A SERIES of heavy snowstorms left scenes like this at Jersey City yards during the winter of 1960-61. They cost the railroad some $300,000 for snow removal alone, plus hundreds of thousands more in reduced traffic volume. Among the mechanized equipment used to keep yard tracks open is the snow-melter shown at left spewing 2,500-degree flames from jet-like nozzles as it moves along the track. Cleared track behind machine, in picture at right, indicates its effectiveness. In summer, snow-melters are used as weed-burners.

TRAFFIC AND REVENUES

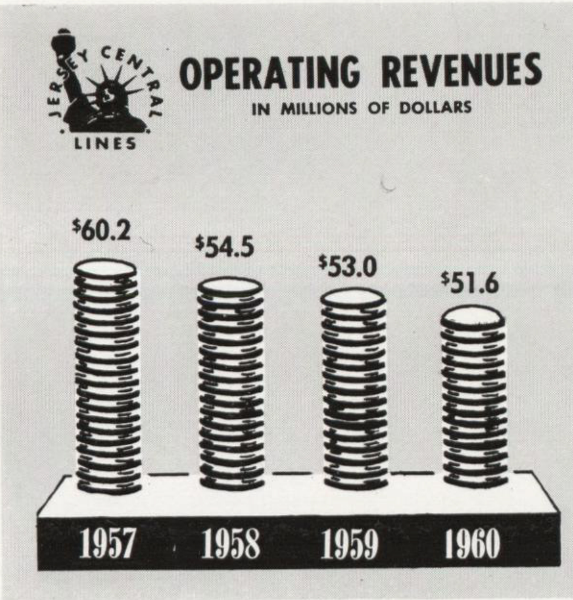
Freight

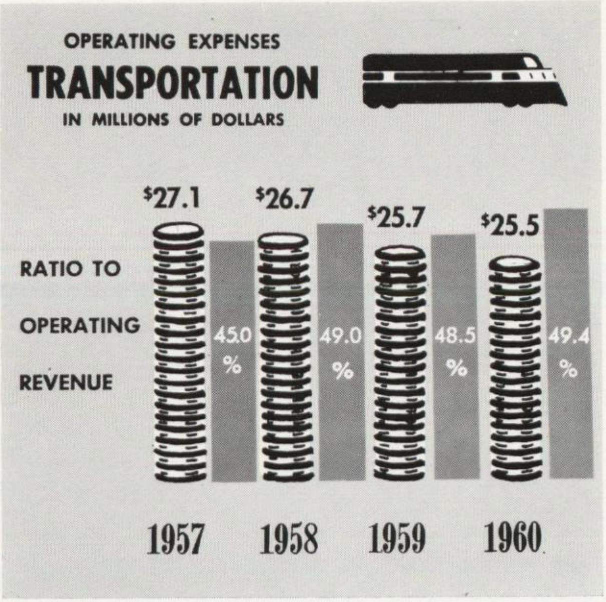
Revenue from freight traffic decreased from $43,070,361 in 1959 to $40,975,488 in 1960, representing a decrease of 4.9%. Carloads, including traffic received from connections, decreased 2.7% in 1960 as compared with 1959.

Carloads of anthracite coal decreased 26.0% in 1960 under 1959. This commodity produced 6.6% of our total freight revenues last year, as against 7.9% in 1959. Carloads of bituminous coal increased 9.5% in 1960 and represented 18.2% of our total freight revenue, compared with 15.3% in 1959. Carloads of general merchandise decreased 4.1% under 1959.

Our cement tonnage, which produced about 4.8% of our total freight revenues, decreased 35% in 1960 under 1959. Despite a reduction of 15% in our cement rates during the last five years, the cement industry in the Lehigh District started trucking early in 1960, and more than 30% of the finished product is now moving via truck. We are making special efforts to prevent further diversion of cement traffic from rail movement and to regain some of that already lost.

Our trailer- and container-on-flat car service went into full operation at Jersey City last year. While this traffic increased 59% over 1959 as a whole, it showed progressively greater increases in the latter months of the year. For example, the traffic in October and November was 78.5% greater than that handled in May, 1960. In this service, containers of various sizes are transferred between motor trucks and railroad cars by both forklift machines and by a large mobile "Trave-





lift" crane. The operation speeds freight to and from the middle west, including cities such as St. Louis, Chicago and Cleveland in JCL-Reading-B&O service. Early in 1961 a new timetable for container shipments equivalent to passenger train schedues was inaugurated. This speed-up of service is expected to attract an even greater volume of this type of business.

On October 24, 1960, the Interstate Commerce Commission approved an increase in freight rates which should result in an overall increase of approximately 1% in our freight revenue.

Passenger

Passenger revenues amounted to $5,677,377 in 1960 compared with $5,720,196 in 1959. In addition, payments received from the State of New Jersey, amounting to $455,131 under contract to continue to provide passenger service, were credited to "Other Revenues".

The Jersey Central and the State of New Jersey signed contracts, effective September 1, 1960, whereby the State agreed to pay, on a car-mile basis, a portion of the cost of operating suburban passenger service. The State designated certain service as "approved service" and, under terms of the agreement, will share in the cost of operating such service until June 30, 1961. Under present conditions, it is estimated that these payments will aggregate $1,120,000 for the ten-month period, during which the Jersey Central has agreed not to request fare increases or reduce service without the approval of the Commissioner of Highways.

Mail revenues declined slightly from the peak year of 1959 in which $1,940,606 was earned, to $1,903,021 in 1960. Effective September 1, 1960, Eastern railroads were granted an 8% increase in mail rates which should add approximately $144,000 annually to Jersey Central Lines revenues.

Express revenues increased 10% from $650,774 in 1959 to $717,086 in 1960.

Total revenues from all passenger services, excluding the State contract payments, decreased $14,092 from the preceding year.

TAXES

Taxes paid to the State of New Jersey for 1960 amounted to $3,405,769, equivalent to $7.77 a share on the Company's Common Stock outstanding.

In 1960, more than three years after the mandate of the New Jersey Supreme Court, the New Jersey Legislature finally enacted a statute authorizing each county to select a percentage of true value at which county-wide assessments shall be equalized on a county-wide basis. This election must be made by April 1, 1961. In the event any county fails to make such an election, a 50 per cent ratio will apply automatically.

Early in 1960 the New Jersey Supreme Court handed down a decision stating that the State Tax Director's school aid equalization tables can be used as the basis for reducing the assessment of the taxpayer in a case "which satisfactorily reveals unequal treatment." Thus the Court has gone further than it did in its 1957 decision in the Lackawanna appeal, where it held that these tables were some evidence of unequal treatment but that for the taxpayer to obtain relief he must show a "common level of assessments."

In view of the many factors involved it is impossible for us to make an accurate forecast of the effect the new legislation and the recent Court decision may have upon our taxes in the State of New Jersey.

WAGES

Agreements, negotiated on a national basis, were completed with all railroad labor organizations in settlement of demands made upon the railroads in 1959. The last contract to be negotiated was with the marine crafts. It was settled, except for agreement with respect to crew consist, only after a costly strike in January, 1961.

Generally, the contracts provided for inclusion of cost-of-living allowances in basic rates, wage increases, increased vacation benefits, changes in holiday provisions and, effective March 1, 1961, improved health and welfare benefits, including life insurance, for non-operating employees. The entire cost of these provisions is borne by the carrier.

The settlement cost the Jersey Central approximately $600,000 on an annual basis, effective July 1, 1960, and added another $600,000 to our annual wage bill, beginning March 1, 1961.

During the current year the operating crafts nationally served counter-proposals to the railroads' request of 1959 for revision of working rules. A 15-man Presidential Commission representing management, labor and the public has been appointed to study these proposals and submit a report on or before December 1, 1961. The dispute with marine unions over crew consist was also referred to this Commission for recommendation.

INDUSTRIAL DEVELOPMENT

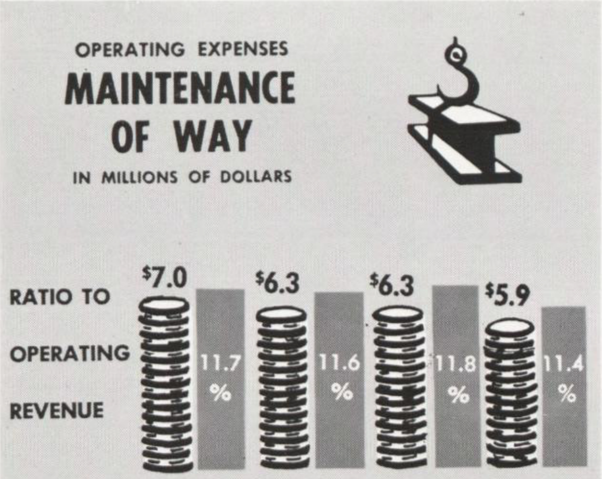
During 1960, twenty-five new industries with a traffic potential of 3,000 carloads annually were attracted to industrial sites along the Jersey Central. Ten industries presently served by our railroad are expanding their plants, with an expected increase of approximately 2,100 cars annually.

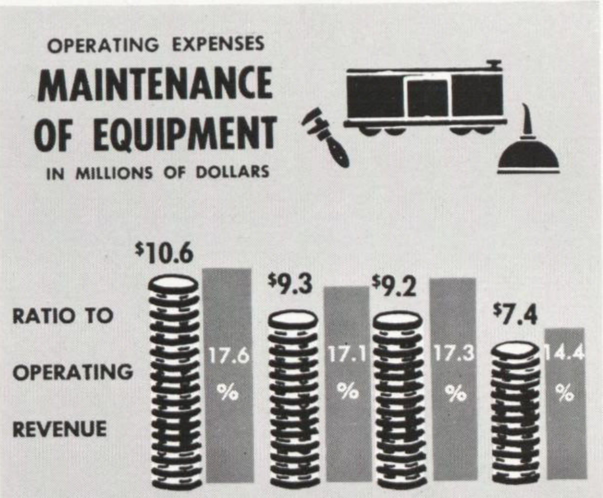
The Lily-Tulip Cup Corporation has taken title to 100 acres of industrial property bordering the New York & Long Branch Railroad at Hazlet, N.J., where, in 1961, they will build the largest paper cup and container plant in the world. The Jersey Central is expected to handle about 1,500 carloads of paper annually for this plant.

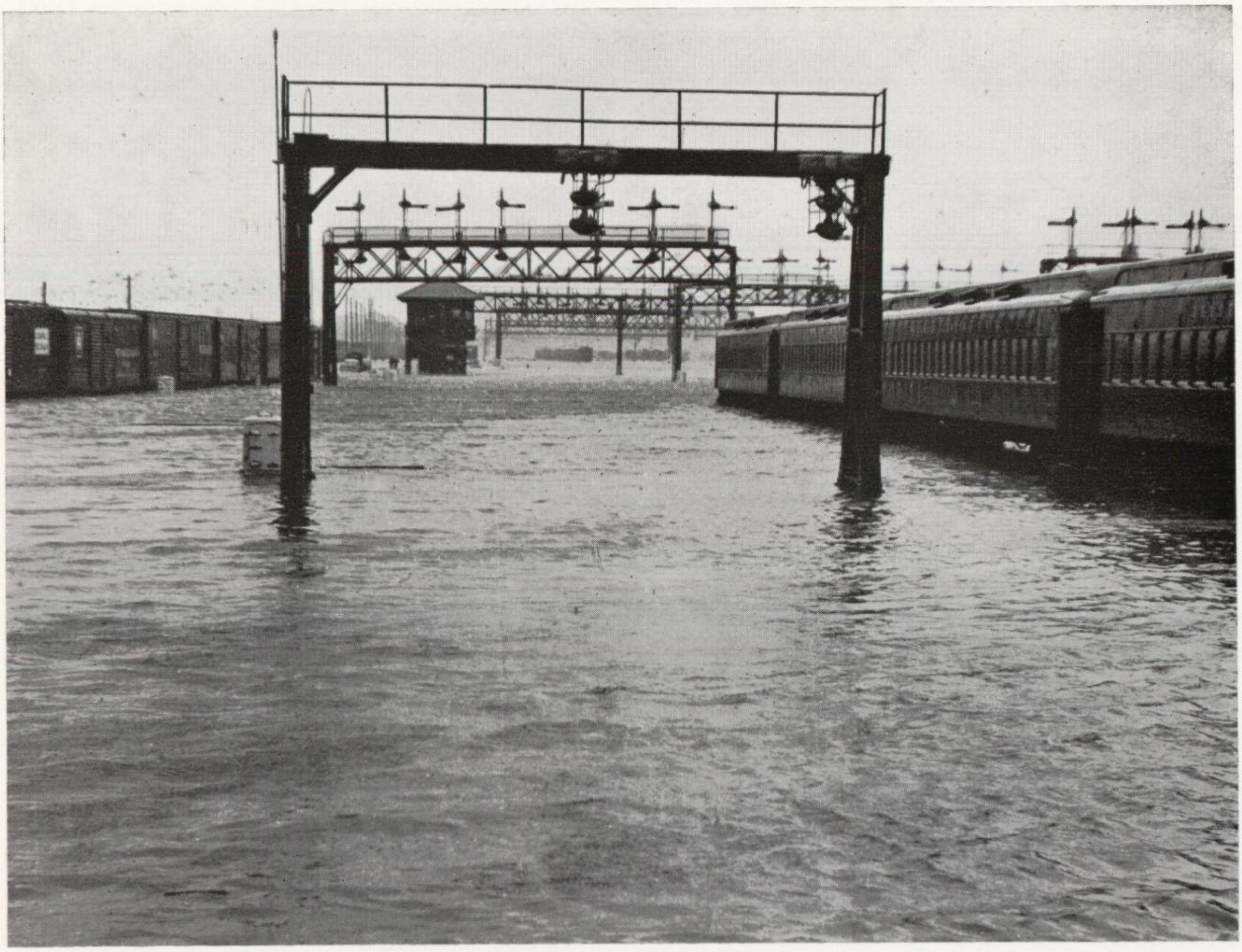
In December of 1960, we completed an expansion and remodeling program on our Express Building at Jersey City. The Springmeier Shipping Company has leased space in this building consolidating five of its operations in this modern freight forwarding terminal. This operation, which began in January, 1961, will bring an estimated 1800 demountable trailer bodies a year to the Jersey Central.

PROPERTY SALES

Forty parcels of land with an area of 32 acres were sold in 1960 for a total consideration of $262,000.





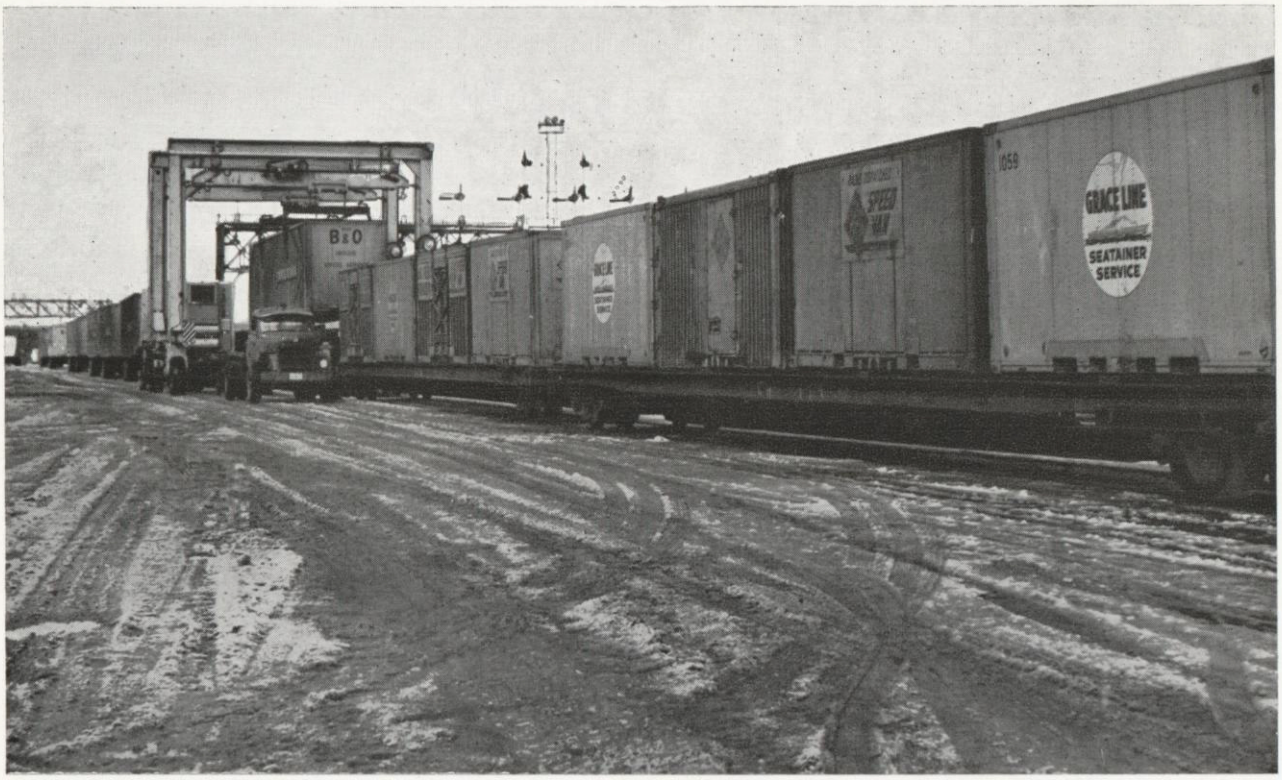


A DAY to remember was Sept. 12, 1960, when high tides, the aftermath of Hurricane "Donna", inundated JCL's terminal area at Jersey City (above) and the force of wind and water tore up paving blocks at vehicular entrance to ferry slips there (left). The storm, which produced an all-time high tide of 8.3 feet above normal at the Battery in New York, halted ferry service for a four-hour period and caused track washouts at various points along the New Jersey coast.

EQUIPMENT

In November, 1960, we completed the reconstruction at our Elizabethport Shops of 290 gondolas and 600 coal cars under a sale and leaseback agreement. In December, 1960, we started another similar program designed to restore 850 coal cars to service. Under these agreements, 1,740 bad-order cars will be restored to service, earning per diem substantially in excess of their rental charges, as well as earning freight revenue.

During the year we sold 300 gondola cars, which were out of service awaiting repairs, for a total consideration of $572,700. Requirements for this type of equipment have been greatly reduced due to economic conditions in the steel industry and scrap iron business.



FOCAL POINT OF JCL's container-on-flat-car service is at Jersey City where a big mobile crane transfers containers of various sizes between flatcars and truck trailers. Facilities for this type of business, which is increasing rapidly, went into full operation in 1960, and recently-inaugurated faster schedules to and from midwest points is expected to attract an even greater volume of this traffic.

PUBLIC and EMPLOYEE RELATIONS

Jersey Central's public relations efforts are designed primarily to increase public awareness of the critical nature of the rail commuter situation, and realization that some acceptable and effective solution to it must be found without further delay if private operation of commuter service is to continue.

Communication with our passengers, commuter groups, legislators and newspapers continued through one or more of these media: speeches, news releases, our bulletin screen at Liberty Street Terminal, New York, and our monthly "Commuter's Almanac." A questionnaire dealing with passenger service was included in the December, 1960, issue of the "Almanac" and passenger response was impressive; some 30% of our commuters submitted detailed replies to the questions asked, dealing with desired improvements, the effectiveness of our communications with the public, and proposed solutions to the commuter crisis.

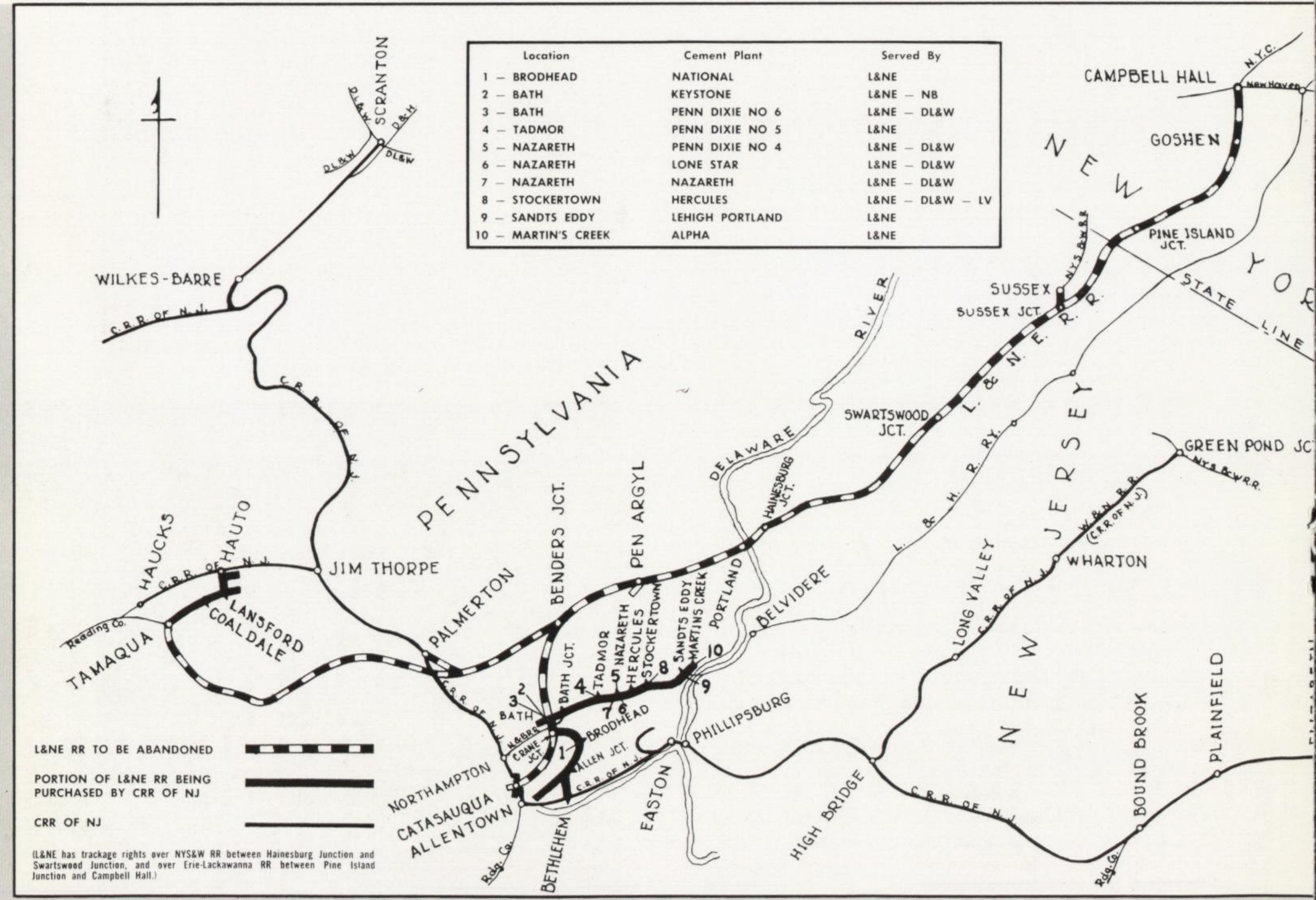
In the area of employee relations, we continued our system-wide safety program and instituted a campaign aimed at reducing the amount of freight loss and damage. Bowling competition continued and our employee's choral group was active in company-sponsored affairs and on-line

GOVERNOR Robert B. Meyner of New Jersey signs into law the Commuter Service Contract Act, the first under which any State has entered into partnership with railroads to assure continuation of essential rail commuter service, and under which the State assumes partial responsibility for defraying passenger losses incurred in the operation of such service. Highway Commissioner Dwight R. G. Palmer, who administers the rail service contract program, is at left. State Senator Wesley L. Lance, one of the principal sponsors of the legislation, is at right.

L&NE RR A

Increased Revenues Expected fro
Located Along Portions of L&N

EQUIPMENT: Shown above are some of the 726 L&NE box cars Jersey Central will acquire when it purchases the two portions of the L&NE Railroad shown on the map below. Covered hopper cars and other equipment also will be acquired, all at a total price of about $6,100,000. JCL has arranged for the sale and leaseback of the box and hopper cars.



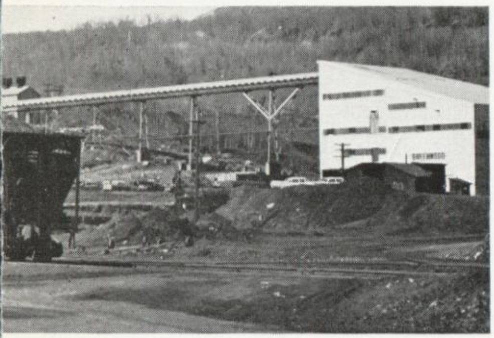
Location	Cement Plant	Served By
1 — BRODHEAD	NATIONAL	L&NE
2 — BATH	KEYSTONE	L&NE — NB
3 — BATH	PENN DIXIE NO 6	L&NE — DL&W
4 — TADMOR	PENN DIXIE NO 5	L&NE
5 — NAZARETH	PENN DIXIE NO 4	L&NE — DL&W
6 — NAZARETH	LONE STAR	L&NE — DL&W
7 — NAZARETH	NAZARETH	L&NE — DL&W
8 — STOCKERTOWN	HERCULES	L&NE — DL&W — LV
9 — SANDTS EDDY	LEHIGH PORTLAND	L&NE
10 — MARTIN'S CREEK	ALPHA	L&NE

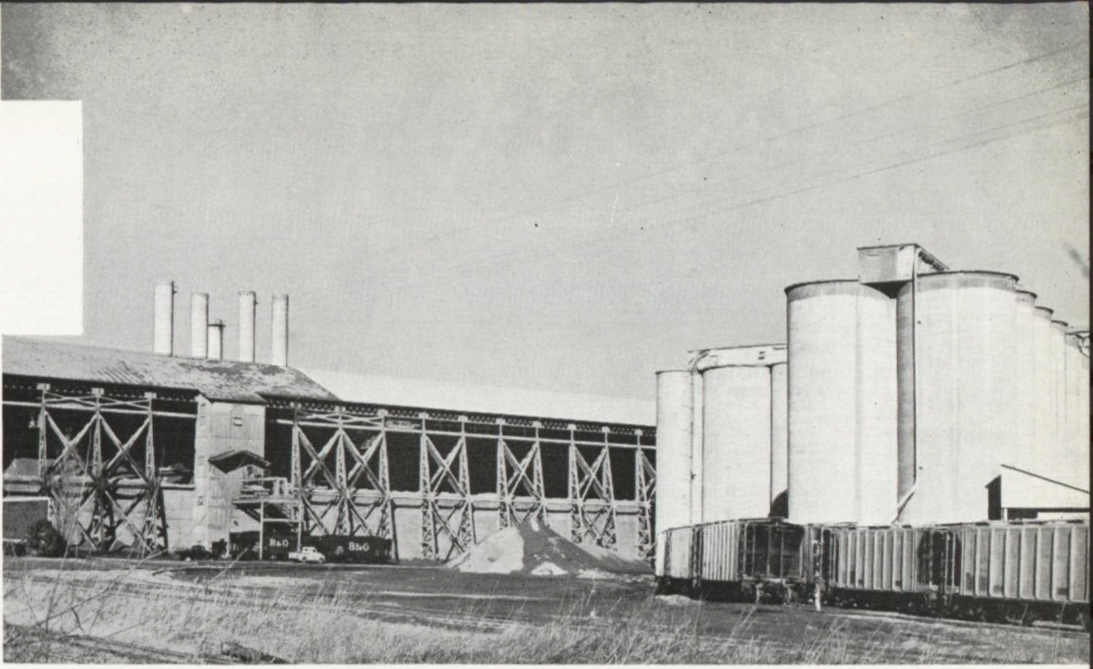
SCRANTON
D.L.&W.
D&H
DL&W
DL&W
WILKES-BARRE
C.R.R. OF N.J.
C.R.R. OF N.J.
PENNSYLVANIA
HAUCKS
HAUTO
C.R.R. OF N.J.
JIM THORPE
Reading Co.
TAMAQUA
LANSFORD
COALDALE
PALMERTON
BENDERS JCT.
PEN ARGYL
BATH JCT.
BATH
TADMOR
NAZARETH
HERCULES
STOCKERTOWN
SANDTS EDDY
MARTINS CREEK
PORTLAND
1
2
3
4
5
6
7
8
9
10
BRODHEAD
N&B RR
CRANE JCT.
ALLEN JCT.
C.R.R. OF N.J.
NORTHAMPTON
CATASAUQUA
ALLENTOWN
Rdg. Co.
BETHLEHEM
EASTON
PHILLIPSBURG
BELVIDERE
DELAWARE
RIVER
HAINESBURG JCT.
SWARTSWOOD JCT.
L. & N. E. R. R.
L. & H. R. RY.
SUSSEX
SUSSEX JCT.
N.Y.S.&W.R.R.
PINE ISLAND JCT.
GOSHEN
CAMPBELL HALL
N.Y.C.
New Haven
NEW YORK
STATE LINE
NEW JERSEY
GREEN POND JCT
N.Y.S.&W.R.R.
W.B.N.R.R. (C.R.R. OF N.J.)
WHARTON
LONG VALLEY
C.R.R. OF N.J.
HIGH BRIDGE
C.R.R. OF N.J.
BOUND BROOK
Rdg. Co.
PLAINFIELD
L&NE RR TO BE ABANDONED
PORTION OF L&NE RR BEING PURCHASED BY CRR OF NJ
CRR OF NJ

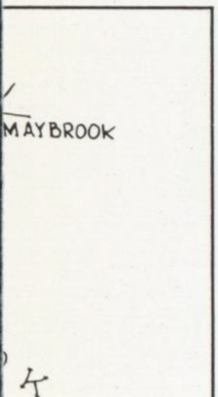
(L&NE has trackage rights over NYS&W RR between Hainesburg Junction and Swartswood Junction, and over Erie-Lackawanna RR between Pine Island Junction and Campbell Hall.)

CQUISITION

m Coal and Cement Companies
NE RR to Be Acquired By JCL





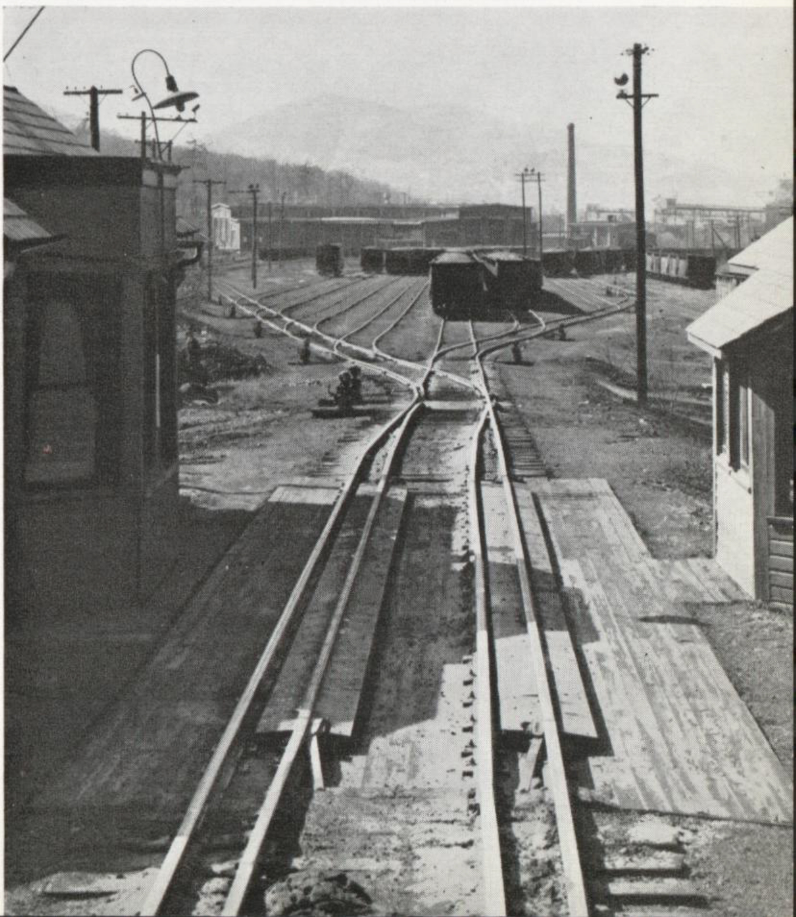


INDUSTRY: Two of the revenue-producing industries along the lines of the L&NE to be purchased by JCL are shown above. At top center is the new Greenwood Breaker at Arlington, Pa., near Tamaqua, which went into production of prepared coal in January, 1961. This breaker has a capacity of 750,000 tons a year and has been producing about 35 carloads a day for rail movement. Coal from strip-mining operations is cleaned in the headhouse (at left) and moves by conveyor to the breaker (at right) where the coal is sized and loaded into hopper cars.

At top right is one of the ten cement plants in the Bethlehem-Bath-Martin's Creek area, identification and location of which are indicated in the legend on the map at left. The plant pictured above has a capacity of 3,300,000 barrels — about 620,000 tons — annually. In recent years some of this cement tonnage, traditionally railroad traffic, has been moving from L&NE territory by truck, and JCL is actively engaged in efforts to recapture as much as possible for rail movement.

PROPERTY: Two of the principal classification yards along the portions of the L&NE RR to be purchased by Jersey Central are those at Tadmor in the cement region (right, above) and at Arlington, near Tamaqua, in the coal region (below). In each photo, the view is from the hump looking toward classification tracks, of which there are 13 with a capacity of 850 cars at Tadmor, and 14 with a capacity of about 500 cars at Arlington.

Portions of L&NE to be purchased total about 40 miles, six in the Tamaqua-Hauto coal region, and 34 miles in the cement territory bounded by Bethlehem, Bath and Martin's Creek.



VETERAN EMPLOYEES ASSOCIATION
Jersey Central Lines

NEARLY 900 MEMBERS of the Jersey Central family attended the November 12 testimonial dinner at Newark, N.J., in honor of 309 employees who retired during the preceding 12 months. More than a third of those honored worked for the railroad 40 years or more; 22 of them 50 years or more. The dinner was the 19th in a series dating back to 1948.

community functions. The operation of our 15-year-old Suggestion Plan continued on a somewhat reduced scale, in keeping with the current employment level.

ORGANIZATION CHANGES

Mr. John F. Hourigan was elected vice president-freight traffic December 1, 1960, succeeding Mr. Harry W. Dorigan who retired after a railroad career of 46 years, the last 10 of which were with this Company. Mr. Hourigan has been in freight traffic work with the Jersey Central since 1917.

Mr. Philip M. Kelly, comptroller, retired July 31, 1960, after a Jersey Central career of nearly 48 years. Mr. Ralph E. Thompson, who has headed our accounting department as chief accounting officer, continues in that capacity with the title of Comptroller.

DIRECTORS

Mr. E. Paul Gangewere, who succeeded Mr. Joseph A. Fisher as president of the Reading Company upon Mr. Fisher's retirement, was elected a director in Mr. Fisher's place July 27, 1960.

At the annual meeting of stockholders December 5, 1960, William H. Mencher, M.D., of New York City, was elected a director to fill the vacancy created by the resignation of James E. Smith.

By Order of the Directors
The Central Railroad Company of New Jersey
March 1, 1961

STATEMENT OF CONSOLIDATED INCOME AND RETAINED EARNINGS

	Year ended Dec. 31 1960	1959
Railway Operating Revenues:		
Freight:		
Merchandise	$30,838,587	$33,108,171
Anthracite	2,695,000	3,386,000
Bituminous	7,441,901	6,576,190
	$40,975,488	$43,070,361
Passenger, mail, express and other (page 22)	10,613,372	9,939,986
Total	$51,588,860	$53,010,347
Railway Operating Expenses:		
Payrolls	$28,554,771	$30,511,910
Material, supplies and other expenses	10,677,441	11,107,400
Depreciation	3,273,348	3,288,098
Total (page 22)	$42,505,560	$44,907,408
Net Revenue From Railway Operations	$ 9,083,300	$ 8,102,939
Charges To Net Revenue:		
Railway taxes:		
Refunds of Federal incomes taxes	$ —	$(1,185,813)
New Jersey property and franchise taxes	3,348,880	3,236,195
Payroll taxes	2,551,058	2,440,990
Other	137,821	121,595
	$ 6,037,759	$ 4,612,967
Hire of equipment and joint facility rents (net)	4,415,314	2,952,793
Total	$10,453,073	$ 7,565,760
Net Railway Operating Income (loss)	$(1,369,773)	$ 537,179
Other Income:		
Rent of properties	$ 282,283	$ 231,524
Dividends	142,012	151,473
Interest	412,071	357,272
Sale of land and other items (net)	341,297	55,276
Total	$ 1,177,663	$ 795,545
	$ (192,110)	$ 1,332,724
Fixed Charges:		
Rent of leased roads	$ 2,391,657	$ 2,391,691
Interest on funded debt	1,702,602	1,771,524
Amortization of discount on funded debt	6,660	8,068
Total	$ 4,100,919	$ 4,171,283
Net Loss	$(4,293,029)	$(2,838,559)
Retained Earnings At Beginning Of Year	$59,278,250	$62,117,165
	$54,985,221	$59,278,606
Other charges (note 2)	122,839	356
Retained Earnings At End Of Year	$54,862,382	$59,278,250

See accompanying notes to financial statements.

JERSEY CENTRAL LINES

CONSOLIDATED BALANCE SHEET

Assets

	December 31 1960	 1959
Current Assets:		
Cash and temporary cash investments	$ 6,046,242	$ 5,843,239
Accounts receivable and unbilled revenue	5,675,046	6,355,689
Materials and supplies	2,813,110	3,468,760
Prepayments and working fund advances	615,797	781,919
	$ 15,150,195	$ 16,449,607
Special Funds:		
Funds for investment in properties or retirement of debt	$ 618,603	$ 1,667,093
Insurance and other deposits	200,715	200,343
	$ 819,318	$ 1,867,436
Investments and Advances at or Below Costs, (Substantially all pledged under General Mortgage):		
Affiliated companies (page 19)	$ 7,612,831	$ 7,835,640
Other (page 19)	2,143,314	2,185,451
	$ 9,756,145	$ 10,021,091
Less provision for possible loss	1,728,934	1,728,934
	$ 8,027,211	$ 8,292,157
Properties less Depreciation and Amortization (note 2)	$119,473,118	$123,694,714
Other Assets:		
Miscellaneous receivables and items in suspense	$ 623,339	$ 328,299
Estimated salvage recoverable on retirements	251,123	88,692
	$ 874,462	$ 416,991
	$144,344,304	$150,720,905

Liabilities

	1960	1959
Current Liabilities:		
Accounts payable	$ 5,504,758	$ 5,317,985
Accrued payroll	1,098,821	1,091,501
Accrued taxes	401,554	420,086
Injury and damage claims	490,266	506,101
Other current liabilities	1,023,548	838,550
	$ 8,518,947	$ 8,174,223
Long-Term Debt (Page 18) including $1,940,517 due within one year:		
Mortgage bonds less held in treasury (note 3)	$ 42,890,000	$ 42,890,000
Equipment trust obligations	7,198,000	8,620,000
Conditional sale agreements	1,323,168	1,924,741
	$51,411,168	$ 53,434,741
Other Liabilities:		
Employees' vacation pay	$ 1,752,500	$ 1,740,500
Personal injury claims	717,036	724,094
Miscellaneous liabilities and items in suspense	408,003	694,829
	$ 2,877,539	$ 3,159,423
Shareowners' Equity:		
Capital stock authorized 460,000 shares of $50 par value, issued 457,915 shares less 19,877 shares in treasury	$ 21,901,900	$ 21,901,900
Other paid-in capital	4,772,368	4,772,368
Retained earnings	54,862,382	59,278,250
	$ 81,536,650	$ 85,952,518
	$144,344,304	$150,720,905

See accompanying notes to financial statements.

Accountants' Report

PEAT, MARWICK, MITCHELL & CO.
ACCOUNTANTS AND AUDITORS
SEVENTY PINE STREET
NEW YORK 5, N. Y.

To the Board of Directors and Shareowners
The Central Railroad Company of New Jersey:

We have examined the accompanying consolidated balance sheet of The Central Railroad Company of New Jersey and its subsidiaries consolidated as of December 31, 1960 and the related statement of consolidated income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of The Central Railroad Company of New Jersey and its subsidiaries consolidated as of December 31, 1960 and the results of their operations for the year then ended in conformity with principles of accounting prescribed or authorized by the Interstate Commerce Commission applied on a basis consistent with that of the preceding year.

March 9, 1961

Peat, Marwick, Mitchell & Co.

Notes To Financial Statements

1. Principles of Consolidation:

All 100% owned subsidiaries have been consolidated except two non-railroad companies owning land. The Company's equity in the net assets of affiliated and other companies not consolidated as determined by the most recent unaudited statements available is substantially in excess of the net amount of investments and advances in such companies.

2. Properties:

The investment in properties and the depreciation accrued are detailed on page 18.

Depreciation on road property has been provided in the accounts since January 1, 1943 in accordance with regulations issued and rates approved by the Interstate Commerce Commission. Prior to the date referred to above, no such provision was required by the Interstate Commerce Commission.

In 1960 retained earnings has been charged with $122,839 arising from adjustment of prior years' depreciation charges of an affiliated company.

During 1960 the Company entered into agreements for the sale, reconstruction and lease-back of 1,740 freight cars. Under the terms of the agreements the cars are to be sold and reconstructed for a total consideration of $5,099,554; the Company is to lease these cars for an eight year term at an aggregate rental of $6,791,856 to be paid over the term of the lease. In 1960 rentals paid amounted to $242,549. Upon the expiration of the lease the Company has the option to extend the lease at a substantially reduced rental as to any or all of the cars.

3. Trust Indenture:

The trust indenture provides that until the outstanding general mortgage bonds are reduced to $24,000,000:

(a) One-half of "available net income" for each year, as defined in the indenture, shall be applied to the retirement of outstanding bonds on, or before, April 1 of the following year. No payment will be required under this provision for 1960 as there was no "available net income."

(b) The remainder of "available net income" shall be applied first, for capital improvements for which funds are not available other than from the Capital Fund; second, to restore the Capital Fund to $2,500,000; and third, for any other corporate purpose. Net proceeds from sales of meadowland property also may be used to restore the Capital Fund to the above stated amount, and any such proceeds not so used are to be applied to the retirement of general mortgage bonds.

If "available net income" for any year shall be a deficit, the amount of such deficit may, at the discretion of the Board of Directors, be carried forward and deducted in determining "available net income" in subsequent years. The amount of deficit available for carry-forward at December 31, 1960 is $8,989,637.

JERSEY CENTRAL LINES

LONG TERM DEBT

Mortgage Bonds

Date of Issue	Date of Maturity	Interest Due	Interest Rate	Total Amount Issued	Amount Actually Outstanding Dec. 31, 1960
July 1, 1949	July 1, 1987	Jan. and July	3¼%	$48,731,000	$42,890,000

Equipment Trust Obligations

Date	Equipment Securing Obligation	Interest Rate	Original Amount of Obligation	Retired This Year	Unmatured and Outstanding Dec. 31, 1960	Final Installment Matures
June 15, 1947	15 Freight Diesel Units (10A; 5B)	2⅜%	$ 1,605,000	$ 107,000	$ 214,000	June 15, 1962
July 15, 1947	1250 Box Cars	2⅜%	3,750,000	250,000	500,000	July 15, 1962
Apr. 15, 1948	15 Freight Diesel Units (10A; 5B)	2⅝%	1,395,000	93,000	279,000	Apr. 15, 1963
Oct. 15, 1948	13 Diesel Units	2⅝%	1,500,000	100,000	300,000	Oct. 15 1963
Apr. 1, 1950	12 Diesel Units	2½%	1,350,000	90,000	450,000	Apr. 1, 1965
Apr. 1, 1950	125 Covered Hopper Cars 12 Diesel Units	2⅜%	1,815,000	121,000	605,000	Apr. 1, 1965
Aug. 1, 1951	22 Diesel Units	3%	2,745,000	183,000	1,098,000	Aug. 1, 1966
Oct. 1, 1952	23 Diesel Units	3½%	2,895,000	193,000	1,351,000	Oct. 1, 1967
Mar. 1, 1953	500 Box Cars	3⅝%	2,460,000	164,000	1,312,000	Mar. 1, 1968
Apr. 1, 1954	4 Rail Diesel Coaches 7 Diesel Units	3⅛%	1,815,000	121,000	1,089,000	Apr. 1, 1969
	Total		$21,330,000	$1,422,000	$7,198,000	

Conditional Sale Agreements

Sept. 14, 1951	2 Diesel Units	2½%	$ 260,324	$ 26,033	$ 22,977	Nov. 1, 1961
Nov. 1, 1952	15 Diesel Units	3⅝%	1,450,690	145,069	290,138	Nov. 1, 1962
Apr. 2, 1956	93 Covered Hopper Cars	3¾%	586,644	73,330	256,657	May 1, 1964
Oct. 15, 1956	3 Rail Diesel Coaches	4½%	406,382	67,731	169,326	Feb. 1, 1963
May 15, 1957	6 Steel Freight Barges	4¾%	220,800	44,160	88,320	Oct. 1, 1962
July 15, 1957	50 Covered Hopper Cars	5%	322,800	53,800	161,400	July 1, 1963
July 15, 1957	50 Box Cars	5%	315,900	52,650	157,950	Nov. 1, 1963
July 15, 1957	50 Gondola Cars	5%	352,800	58,800	176,400	Nov. 1, 1963
	Total		$ 3,916,340	$ 521,573	$1,323,168	

Properties

	December 31, 1960	December 31, 1959
Transportation property:		
Road and roadway structures	$ 88,159,494	$ 88,984,477
Equipment	65,868,438	72,709,035
Improvements on leased property	12,275,217	12,408,864
Miscellaneous physical property	2,863,549	2,819,752
Total	$169,166,698	$176,922,128
Allowance for depreciation and amortization:		
Roadway structures	$ 10,199,646	$ 9,622,307
Equipment	37,952,546	42,175,233
Improvement on leased property	1,508,216	1,409,215
Miscellaneous physical property	33,172	20,659
Total	$ 49,693,580	$ 53,227,414
Net investment in properties	$119,473,118	$123,694,714

INVESTMENTS IN AFFILIATED AND OTHER COMPANIES

Affiliated Companies

Stocks

	Date of Maturity	Percent of Ownership	Par Value	Ledger Value
Allentown Terminal Railroad Company		50	$ 225,000	$ 225,000
Bay Shore Connecting Railroad Company		50	27,900	27,900
Central Railroad Company of Pennsylvania		100	50,000	50,000*
Communipaw Central Land Company		100	2,000	2,000
Dover and Rockaway Railroad Company		64	95,700	91,955
Edroyal Corporation		100	750,000	750,000
Elizabethport and New York Ferry Company		99	1,460	1,460
Jersey Central Transportation Company		100	20,000	20,000*
Lehigh and New England Railway Company		100	1,000	1,000*
Mount Hope Mineral Railroad Company		68	109,300	224,233
New York and Long Branch Railroad Company		50	2,000,000	2,000,000
Railway Express Agency, Inc.		1	No Par	1,100
Wharton and Northern Railroad Company		100	500,000	1,025,767*
				$4,420,415
*Deduct companies included in consolidated balance sheet				1,096,767
Total				$3,323,648

Bonds

	Date of Maturity	Par Value	Ledger Value
Allentown Terminal Railroad Company First Mortgage Gold Bonds	July 1, 1974	$ 212,000	$ 212,000
Dover and Rockaway Railroad Company 6% First Mortgage Bonds	Jan. 1, 1906	3,000	3,000
New York and Long Branch R. R. Co. 4% Cons. Mtge. Gold Bonds, Series "B"	Sept. 1, 1981	1,196,000	1,196,000
New York and Long Branch R. R. Co. 5% Cons. Mtge. Bonds, Series "A"	July 1, 1979	269,000	269,000
Total			$1,680,000

Notes

	Par Value	Ledger Value
Edroyal Corporation 1½%	$ 145,000	$ 145,000
Railway Express Agency, Inc. 5%	318,071	318,071
		$ 463,071

Advances

	Ledger Value
Bay Shore Connecting Railroad Company	$ 8,317
Communipaw Central Land Company	1,614,104
Lehigh and New England Railway Company	1,000*
New York and Long Branch Railroad Company	523,691
	$2,147,112
*Deduct company included in consolidated balance sheet	1,000
Total	$2,146,112
Total Affiliated Companies per consolidated balance sheet	$7,612,831

Other

Stocks

	Par Value	Ledger Value
Lehigh and Hudson River Railroad Company	$ 787,000	$ 748,287
Raritan River Railroad Company	495,300	839,610
Total		$1,587,897

Mortgages

	Par Value	Ledger Value
Elberon Development Company, Inc.	$ 104,427	$ 104,427
Elizabethport Development Company, Inc.	185,220	185,220
Tug and Barge Supply Company, Inc.	265,770	265,770
Total		$ 555,417
Total Other per consolidated balance sheet		$2,143,314

JERSEY CENTRAL LINES

EQUIPMENT as of December 31, 1960

Locomotives

Diesel:	Number of units	Average Weight (tons)	Average tractive power
Road freight 1500 H.P.	20"A"	125.1	62,550
" " 1500 H.P.	10"B"	122.5	61,266
General utility 1000 H.P.	6	123.4	61,688
" " 1200 H.P.	4	121.4	60,700
" " 1500 H.P.	27	127.2	63,580
" " 1600 H.P.	30	125.6	62,787
" " 1600 H.P. (6 motors)	15	180.1	90,057
" " 2400 H.P. (6 ")	13	192.2	96,082
Yard switchers	56	111.7	55,879
Total	181	23,612.0	11,805,993
Average		130.4	65,226

Freight Cars

	Number Owned	Leased	Total	Total Capacity (tons)
Box	2,427		2,427	121,045
Coal	1,413	689	2,102	115,510
Gondola	1,672	290	1,962	137,340
Ore	8		8	560
Flat	102		102	7,260
Covered hoppers	612		612	41,685
Caboose	103		103	—
Total	6,337	979	7,316	423,400

Passenger Cars

	Number
Coaches	251
Combination passenger	28
Other combination	8
Baggage & express	59
Club	16
Diesel rail passenger coaches	11
Total	373

Marine Department

	Number
Ferryboats	5
Tugboats (diesel)	3
Open deck lighterage-scows	13
Steam hoist lighters	3
Covered barges	13
Car floats	8
Company service (misc.)	5
Total	50

JERSEY CENTRAL LINES

TRANSPORTATION STATISTICS

	Year 1960	Year 1959	Percent Increase
Train Miles:			
Freight	1,259,420	1,312,597	# 4
Passenger	1,751,493	1,778,099	# 1
Total revenue service	3,010,913	3,090,696	# 3
Work	16,598	24,991	#34
Total train miles	3,027,511	3,115,687	# 3
Car Miles:			
Freight — loaded	46,865,315	48,360,384	# 3
Freight — empty	27,058,374	27,282,374	# 1
Total freight (including caboose)	75,178,181	76,961,398	# 2
Passenger	9,645,507	10,400,943	# 7
Gross ton miles freight (thousands)	3,712,491	3,743,784	# 1
Net ton miles (thousands)	1,972,553	1,975,732	—
Freight Trains:			
Average net train load	1,633	1,573	4
Average gross train load	3,074	2,981	3
Average train speed	14.9	14.7	1
Freight Cars:			
Net tons per loaded car	42.1	40.9	3
Percent net to gross	53.1	52.8	1
Percent loaded to total car miles	63.4	63.9	# 1
Car miles per car day (of cars in service)	17.7	18.1	# 2
Net ton miles per car day (of cars in service)	384	393	# 2
Yard:			
Cars dispatched per yard engine hour	8.5	8.5	—
Cost of fuel and wages per car dispatched	$2.12	$2.05	3
Passenger Trains:			
Average cars per train	5.5	5.8	# 5
Cost of fuel and wages per train mile	$1.65	$1.64	1

# Denotes Reverse Figure

JERSEY CENTRAL LINES

REVENUES

Years	Freight Revenue	Passenger Revenue	Mail Revenue	Express Revenue	Other Revenues	Total Operating Revenues
1960	$40,975,488	$5,677,377	$1,903,021	$717,086	$2,315,888	$51,588,860
1959	43,070,361	5,720,196	1,940,606	650,774	1,628,410	53,010,347
1958	44,416,665	5,953,031	1,769,016	612,529	1,794,754	54,545,995
1957	49,560,929	6,348,210	1,463,442	785,466	2,034,993	60,193,040
1956	52,549,667	5,920,656	1,349,162	916,792	2,140,337	62,876,614
1955	48,506,587	5,454,254	1,298,191	944,131	2,110,885	58,314,048
1954	46,841,524	5,353,772	1,506,428	955,078	1,845,320	56,502,122
1953	53,100,015	5,552,683	1,332,658	955,676	1,855,502	62,796,534
1952	54,504,290	5,816,784	1,274,422	1,051,151	1,981,055	64,627,702
1951	54,411,591	5,895,780	1,614,758	561,685	2,249,866	64,733,680

EXPENSES

Years	Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Trans-portation	Miscellaneous Operations	General	Total Operating Expenses	Percentages of Expenses to Revenue	Net Revenue From Railway Operations
1960	$5,870,523	$ 7,447,809	$ 909,971	$25,455,594	$ 32,651	$2,789,012	$42,505,560	82.39	$ 9,083,300
1959	6,258,073	9,176,325	918,062	25,713,235	52,037	2,789,676	44,907,408	84.71	8,102,939
1958	6,295,271	9,332,589	890,458	26,711,626	48,260	2,800,455	46,078,659	84.48	8,467,336
1957	7,019,570	10,558,340	947,338	27,063,265	37,760	2,816,512	48,442,785	80.48	11,750,255
1956	8,589,492	10,887,484	928,364	26,578,128	44,979	2.644,957	49,673,404	79.00	13,203,210
1955	8,518,990	9,982,526	867,354	24,314,403	67,948	2,392,506	46,143,727	79.13	12,170,321
1954	7,979,613	9,665,895	910,112	23,992,064	67,572	2,342,179	44,957,435	79.56	11,544,687
1953	8,964,107	12,152,321	982,339	25,736,801	69,546	2,519,338	50,424,452	80.30	12,372,082
1952	9,178,525	12,091,669	1,006,365	27,096,409	63,106	2,551,588	51,987,662	80.44	12,640,040
1951	8,993,584	12,191,373	984,027	28,496,106	92,637	2,718,183	53,475,910	82.61	11,257,770

NET RAILWAY OPERATING INCOME, FIXED CHARGES AND NET INCOME

Years	Net Railway Operating Income	Other Corporate Income (Net)	Income Available For Fixed Charges	Fixed Charges	Income Net
1960	$1,369,773#	$1,177,663	$ 192,110#	$4,100,919	$4,293,029#
1959	537,179	795,545	1,332,724	4,171,283	2,838,559#
1958	495,952	1,839,709	2,335,661	4,240,302	1,904,641#
1957	3,436,628	856,629	4,293,257	4,250,562	42,695
1956	4,634,297	803,988	5,438,285	4,306,575	1,131,710
1955	4,773,865	678,899	5,452,764	4,431,898	1,020,866
1954	3,940,157	588,125	4,528,282	4,513,698	14,584
1953	5,090,705	586,998	5,677,703	4,457,422	1,220,281
1952	5,255,799	711,191	5,966,990	4,336,181	1,630,809
1951	4,517,720	675,019	5,192,739	4,248,379	944,360

# Denotes Reverse Figure

JERSEY CENTRAL LINES

REVENUE FREIGHT TRAFFIC STATISTICS

Year	Average Mileage Operated	Revenue Tons One Mile Per Mile of Road	Average Rate Per Ton Per Mile (Cents)	Revenue Freight Train Miles	Average Train Load (Revenue Tons)	Average Gross Ton Miles Per Train Hour
1960	606.48	3,221,397	2.09	1,259,420	1,551	44,031
1959	608.82	3,221,430	2.19	1,312,597	1,494	41,825
1958	612.09	3,149,414	2.30	1,299,438	1,484	42,264
1957	626.22	3,387,685	2.33	1,437,896	1,475	42,101
1956	627.11	3,873,976	2.16	1,573,569	1,544	42,172
1955	627.53	3,440,963	2.25	1,479,543	1,459	40,917
1954	627.15	3,322,157	2.25	1,479,779	1,408	39,720
1953	631.27	3,633,994	2.31	1,554,668	1,476	39,112
1952	633.63	3,856,308	2.23	1,610,066	1,518	38,609
1951	635.93	4,102,970	2.08	1,744,220	1,496	39,359

REVENUE PASSENGER TRAFFIC STATISTICS

Year	Average Mileage Operated(*)	Passengers One Mile	Average Rate Per Passenger Per Mile (Cents)	Total Passenger Train Miles (X)	Total Passenger Train Miles Per Mile Road	Revenue Per Train Mile Passenger	
						Passengers Only	All Sources
1960	264.56	174,710,147	3.25	1,751,493	6,620	$3.24	$4.78
1959	271.82	179,413,247	3.19	1,778,099	6,541	3.22	4.72
1958	276.42	205,667,764	2.89	1,929,100	6,979	3.09	4.36
1957	276.70	236,068,717	2.69	2,096,721	7,578	3.03	4.14
1956	276.70	234,915,052	2.52	2,122,425	7,670	2.79	3.88
1955	276.70	221,097,087	2.47	2,117,690	7,653	2.58	3.67
1954	276.70	226,293,878	2.37	2,152,515	7,779	2.49	3.68
1953	287.76	232,847,416	2.38	2,255,519	7,838	2.46	3.52
1952	354.39	246,120,911	2.35	2,395,075	6,758	2.42	3.43
1951	354.41	259,020,932	2.25	2,425,654	6,844	2.40	3.34

(*) Excludes mileage exclusively for freight traffic.

(X) Including express trains.

TRACK MILEAGE (December 31, 1960)

	Miles of First Main Track	Miles of Additional Main Track	Miles of Yard Tracks & Sidings	Total All Tracks
Owned	372.90	183.65	398.83	955.38
Leased:				
Controlled through ownership of majority of capital stock . .	4.54	—	2.42	6.96
Not controlled	169.73	67.87	199.14	436.74
Trackage rights granted by other companies	59.31	44.08	33.00	136.39
Total miles of road operated	606.48	295.60	633.39	1535.47

JERSEY CENTRAL LINES

FREIGHT REVENUE BY COMMODITIES

	1960		1959	
	Cars	Revenue	Cars	Revenue
Products of Agriculture:				
Wheat, Corn, Oats	2,835	$ 355,186	3,762	$ 540,486
Flour	7,254	308,629	6,300	317,894
Soybean Oil Cake and Meal	1,759	167,725	2,217	235,508
*Other Products of Agriculture	16,779	845,166	16,807	840,447
Total	28,627	$ 1,676,706	29,086	$ 1,934,335
Animals and Products:	18,131	$ 703,038	17,873	$ 673,397
Products of Mines:				
Anthracite Coal (Prepared)	32,909	$ 2,543,522	44,308	$ 3,191,132
Bituminous Coal	157,980	7,373,044	146,988	6,629,874
Iron Ore	13,637	842,244	11,266	689,324
Other Ores and Concentrates	10,367	788,910	8,728	697,383
Clay and Bentonite	6,707	298,560	6,105	253,130
Sand, Gravel and Crushed Stone	26,557	1,706,475	27,478	1,688,799
Salt	3,457	280,502	3,201	258,220
*Other Products of Mines	27,018	1,138,982	34,023	1,127,938
Total	278,632	$14,972,239	282,097	$14,535,800
Products of Forests:				
Lumber, Shingles and Lath	7,641	$ 453,972	7,942	$ 453,777
*Other Products of Forests	7,644	407,299	8,029	422,730
Total	15,285	$ 861,271	15,971	$ 876,507
Manufactures and Miscellaneous:				
Refined Petroleum Products	17,347	$ 1,342,820	18,219	$ 1,466,061
Gases—Other than Petroleum	3,795	394,881	3,711	336,992
Soybean Oil	4,091	283,898	7,393	426,117
Chemicals	17,502	2,076,542	19,673	2,351,443
Sodium (Soda) Products	10,328	1,073,107	10,419	1,022,335
Alcohol	4,165	367,938	4,158	371,612
Fertilizers	4,039	289,214	4,293	321,496
Paints, Putty and Varnish	5,317	417,221	3,740	335,514
Copper, Brass, Lead, Zinc	7,588	711,586	8,493	825,182
Manufactured Iron and Steel	18,996	1,545,124	18,426	1,503,726
Vehicle Parts	5,214	269,808	3,251	179,689
Cement	21,949	1,973,378	36,254	3,202,485
Printing Paper	20,501	1,064,985	21,543	1,068,765
Paper Products	11,360	433,541	11,220	422,172
Paperboard, Fiberboard and Pulpboard	12,718	535,778	12,627	559,229
Building Paper and Prepared Roofing Materials	2,689	160,578	2,024	119,044
Glass Bottles, Jars and Packing Glasses	8,733	463,567	11,316	676,373
Liquors — Malt	2,946	198,447	3,447	230,875
Canned, Packaged and Frozen Food	10,121	350,538	8,631	293,752
Prepared Animal and Poultry Feed	5,638	265,587	6,285	393,668
Containers — Metal	4,967	207,025	5,764	238,016
Scrap Iron and Scrap Steel	13,410	1,529,700	14,373	1,527,707
Waste Materials	11,340	915,455	9,915	769,176
*Other Manufactures and Miscellaneous	108,707	5,175,093	113,475	5,650,207
Total	333,461	$22,045,811	358,650	$24,291,636
Forwarder Traffic:	35,942	888,458	39,683	851,321
GRAND TOTAL — CARLOAD TRAFFIC	710,078	$41,147,523	743,360	$43,162,996
Less Than Carload Traffic:		399,009		503,760
GRAND TOTAL — CARLOAD AND LCL TRAFFIC	710,078	$41,546,532	743,360	$43,666,756

*Includes Wharton and Northern RR Company

JERSEY CENTRAL LINES

Freight Traffic Offices

Jersey Central Lines maintains Freight Traffic Offices in the cities listed below. Agents in charge of these offices are eager to give every assistance to shippers. You can help us by urging your shipper friends to ask these Agents about Jersey Central Lines service. Or tell your nearest Agent of prospective business that comes to your attention. He'll carry on from there, promptly, courteously and thoroughly.

ALBANY 7, NEW YORK	W. J. Dickerson, General Agent 11 The Plaza—Phone Hobart 3-4547
ALLENTOWN, PENNSYLVANIA	J. H. Weiss, Division Freight Agent Allentown, Pa., Passenger Station Phone Hemlock 5-4721
BOSTON 10 MASSACHUSETTS	Francis T. Burns, Jr., General Agent 604 Chamber of Commerce Building Phone Liberty 2-5320
BUFFALO 3, NEW YORK	C. R. Everding, General Agent 532 Ellicott Square Phone TL 4-1274
CHICAGO 3, ILLINOIS	J. M. Gehring, General Western Freight Agent 3324 Bankers Building, 105 West Adams Street Phone Randolph 6-1816
CLEVELAND 14, OHIO	F. F. Siegel, General Agent Room 407, Park Building Phone Cherry 1-0968
ELIZABETH 2, NEW JERSEY	W. D. Wakeman, General Freight Agent 405 Division Street Phone Elizabeth 2-7500
LONG BRANCH, NEW JERSEY	W. W. Robinson, Division Freight Agent Phone Capital 9-0486
NEW YORK 6, NEW YORK	B. J. McSweeney, General Freight Agent 143 Liberty Street Phone Barclay 7-9700
NORTHAMPTON, PA.	B. M. Haberern, Assistant Division Freight Agent Northampton, Pa., Freight Station Phone Colonial 2-4261
PHILADELPHIA 2, PENNSYLVANIA	E. T. Ginder, Assistant General Freight Agent Room 1610, Girard Trust Co. Bldg. 1400 South Penn Square Phone Locust 3-7390
PITTSBURGH 22, PENNSYLVANIA	J. C. Powers, General Agent Room 801-802, Park Building Fifth Avenue and Smithfield Street Phone Atlantic 1-7405
ST. LOUIS 1, MISSOURI	C. H. McNab, General Agent 532 Arcade Building, 812 Olive Street Phone Central 1-4760
WHARTON, NEW JERSEY	E. M. Hoare, General Agent Main Street Phone Foxcroft 6-0129
NEW YORK 6, NEW YORK 143 Liberty Street Phone Barclay 7-9700	John F. Hourigan *Vice President—Freight Traffic* Edward Keil *Freight Traffic Manager (Rates and Divisions)* Victor L. Pernter *Freight Traffic Manager (Sales and Service)* Edward P. Seiwert *Manager Marketing Research* Robert G. Hamlin *Manager Industrial Development* John J. Emerick *Coal Traffic Manager*

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